1:Stanford U. S-4, 5 1956 AF16 SW China
AF16

578
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The restrictions resulting from regimentation cause great inconvenience. However, the demand that spare-time be devoted entirely to various Party-inspired activities and duties is even more objectionable. Peasants are required to attend meetings, go to winter schools, keep advised of all farm matters, and perform various other duties depending upon the sex and age of the individual. Even how the farmer spends his money is circumscribed by Party counseling. Advise on the disposition of his excess cash is imparted by a Party member in a series of interviews heavily spiked with propaganda. The process is not only time-consuming, but also trying on the collective patience of the peasants.

City dwellers are forced to accept similar restrictions. On the job, workers are required to observe "labor discipline." They are severely punished for tardiness or for leaving the factory early. Loafing and belligerence are punishable crimes. During off-hours, workers are required to participate in all organizational and cultural activities and to attend technical and cultural classes. Participation in mass meetings, propaganda discussion groups, and urban community committees is expected. Almost no time is left for taking care of private affairs.

2. High Taxation and Public Obligation.

651 The high taxes and business restrictions

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imposed by the Communist regime are likewise unpopular. In the rural districts, the Communist San Ting policy, initiated at the end of 1953, taxes and regulates the production, purchasing, and marketing of farm produce. The forced sale of surplus products -- mainly rice and cotton -- at a central, government-controlled market has created great resentment among the peasantry. Urban businesses are subject to a similar scheme of taxation and control. Businessmen must pay high taxes, purchase bonds, and make regular "voluntary contributions" to government-sponsored organizations. The transformation of private businesses into elements of state-owned enterprises is a major cause of discontent among the business class.

Public obligations imposed upon the people are a further cause of public discontent. The average peasant is required to perform duties for the state periodically and on demand. The four seasonal drives in the rural districts require his active participation. In the construction of flood-control projects, peasants are forced to abandon their fields to labor in distant regions. Young persons in the villages are required to participate in military training and to perform military service whenever the state deems it necessary. All railways are

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constantly patrolled, and each village near the right-of-way must maintain a specially organized force for this purpose and participate in the guard duty for a 72-hour period every month.[40] In addition, the village maintains a militia in which all the young residents must serve. Besides training or participating in the unit's cultural and indoctrination activities, the militia patrols key areas in the village, guards government grain, helps in loading it for shipment, and assists in keeping the village free of bandits. Misuse of the militia by the Southwest China Military Command in 1953 was criticized as having wasted 24,700 man-hours per day.[41]

Similar public and military services are required of city dwellers. They must engage in military training, participate in the local military unit's cultural and organizational activities, and serve on patrols in their own or neighboring areas whenever needed.

Controls imposed upon the people by security agencies and other organizations

40. Ibid., Nov. 11, 1951, p. 4.

41. Report of the Second Southwest China Militia Conference, Ibid., May 20, 1953, p.1.

1: Stanford U. S-4, 5 1956 AF 16 SW China AF16

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In the discussion that follows, we shall examine at length some phases of Communist China's fiscal policy during the first five years of occupation of Mainland China. They include the agricultural tax, the taxation on commerce and industry, and government bonds. As will be seen, the revenues discussed are all recurrent in nature. No attempt is made to study such non-recurrent levies as those imposed during the Five-Anti Campaign. Because of the nature of these impositions, it is not likely that these measures can be successfully repeated in the near future.

II. URBAN TAXATION

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In Communist China, the core of urban taxation has consisted of the business tax, the tax on business income, and the commodity taxes.

None of the trio is new in China. Under the Nationalist Government, the business tax was collected as a local tax, the tax on business income was a part of the income tax system, and the commodity tax constituted one of the main revenues of the Nationalist Government.

Under the Communist government, all these taxes were drastically reorganized, apparently under the influence of the Russian tax system. From 1949 to date, the system of urban taxation has already undergone several important changes. Its history which may be divided into two stages, covers the period from January 1950 to December 1952.

During the first period, the industrial and commercial tax constituted the greater part of urban taxation.

651 The tax was a composite levy consisting of an impost based on gross turnover and another on net taxable income. The "business tax" was collected on the basis of a proportional rate schedule. While the tax rates remained constant regardless of how the amount of the tax base changed, they varied according to the nature of the business or industry. The rates on manufacturing industries, for instance, were in general higher than those on undertakings which consisted only of sales of services (such as public utilities, professional services, hotel services, insurance, banking, etc.). For undertakings deriving their income in the form of commission (such as trade agents, etc.), the rates of business tax were much higher than for any of the other types of businesses mentioned heretofore.

In addition, the tax rates varied according to the nature of the commodity produced or handled by the taxpayers. Those who deal in such commodities as are essential to the national economy are liable to a lighter tax than those who are associated with the production of cigarettes, for instance. The business tax rate on the production such non-essential commodities, for example, was much higher than the rate applicable to the iron and steel industry.

The characteristics of the income tax system, which was used early in the Communist regime and is still in effect, may be summarized as follows.

1. Like the system in Soviet Russia, the income tax system in Communist China consists of a series of

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income taxes applicable to different types of income. Besides the agricultural tax, which may be considered as an income tax on agricultural income, there are income taxes on business profit derived from the earnings of business enterprises and on interest derived from bank deposits. Wages and salaries, however, are not subject to tax. Because of the disappearance of landlords, under the Communist system, the tax on rent income is non-existent in the tax system of Communist China's regime. 651

2. Like the Soviet system, there is more differentiation in the Chinese income tax than in the system commonly used in the West. There is, for instance, the differentiation in favor of military or industrial heroes, and of earnings from industries against earning from commercial undertakings (particularly those derived from services, such as commissions., etc.).

3. The progressive rates used in the Chinese income tax are applied on the entire taxable income rather than progressively by income brackets.

4. Inventory valuation for income-tax purposes is computed on the basis of the historical cost. This apparently means an unduly heavy tax burden on taxpayers at the time of rising prices.

5. Depreciation charges are computed on the basis of either the straight-line method or the method of constant percentage. In either case, the income tax will mean, under the condition of rising prices, a tax to be paid out of capital as well as current income rather than a genuine tax on income.

After December 31, 1952, the "tax on commodity

●651 circulation," or the turnover tax, was introduced. This new tax is a composite levy consisting of parts of former commodity and business taxes. In many represpects,it is also reminiscent of the turnover tax in the USSR. The introduction of the turnover tax brought changes in the system of urban taxation in Communist China. In the place of former commodity and business taxes, the turnover tax is applicable to the following 22 commodities: rolled tobacco, tobacco leaf, wine, wheat flour, furs and hides, cotton yarn, matches, phonograph records, acid, salt, chemical fertilizers, paper, newsprint, rubber tires, cork, cement, glass plates, metal and metal products, pig iron, coke and its products, and mineral oils and their products. After paying the turnover tax, producers and dealers in these commodities will be subject to no other commodity or business taxes so long as they circulate within the national boundaries of China. The exemption, however, does not apply to the custom duties if they are to be exported or to the income taxes to which such producers or dealers are liable. Nor would the payment of a commodity tax on raw materials exempt a product manufactured of such material from commodity tax, if the product itself were a taxable commodity.

Instead of the payment of tax as a product leaves its factory or additional taxation as each business transaction occurred, as was the case of the old commodity tax, the collection procedure of the turnover tax varies according to the nature of the commodity subject to tax. In the case where the sales are to be handled by a government agent, the turnover tax is payable when the commodity is sold or transferred from its producers to such a sales agent. In the case where the sales are done

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by the manufacturer's own agent, the tax is payable at the first sale of the commodity at the wholesale level, or its transfer from producer to the sa les agent. In the case where the sale of product is handled by neither a government agent nor that of its producer, but by the producer himself, the tax is payable at the time when the product leaves the hand of its producer. In the case where the taxable product is not for sale, but for further processing or use in some other departments of the producing factory, the turnover tax is payable when the commodity leaves the producing department. In the case of forestry products, the tax is paid by the purchasers at the time when the products are being shipped from their point of origin. In the case of an imported commodity, the turnover tax is collectible by the customs to ether with customs duties at the point of importation. In the case of an export commodity, the tax is collectible at the time of export. 65/

Which of the above-mentioned procedures of collection is applicable to a given commodity is to be decided by the government and not by the taxpayer himself.

Since the turnover tax is to displace both the commodity and business taxes, its rates are higher than those of either of these old taxes. The turnover tax rate on wheat flour has been raised to 10 per cent as against a rate of 3 per cent according to the old commodity tax. The new rate applicable to cotton yarn is 22 per cent as compared to 12 per cent charged in the old commodity tax. With the exception of the turnover tax on beer, which is a

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• 651 specific levy, the leavy on all other commodities is collectible on an ad valorem basis.

Many changes other than those mentioned above were made in the business taxation following the institution of the turnover tax. Among such changes, the following changes are probably the most important.

Under the new regulations, all the commodities produced within the country and not subject to commodities or turnover tax as previously explained are liable to three business taxes -- one at the level of production, one at the wholesale level, and another at the retail level. All those subject to commodity or turnover tax are liable to two business taxes at the wholesale and retail levels. These regulations will be applied regardless of whether a commodity transaction is an inter-firm sale or an intra-firm transfer. As a result of these modifications, all the advantages of vertical combination, which were ample under the old system, are eliminated.

Before the tax reform in 1952, all the business taxes at manufacturing, wholesale, and retail levels were payable after the completion of the business transaction. After 1952, the business tax became applicable only to the transactions of those commodities to which the new turnover tax does not apply. But, instead of collecting the tax after the completion of transactions, producers of such commodities are required, in addition to their own tax liabilities, to advance the tax payable by wholesale dealers to whom the products are sold.

1:Stanford U. S-4, 5 1956 AF 16 SW China AF16

Such advances are later to be repaid by the wholesale dealers to the producers. Thus, under the new law the business tax on wholesale dealers becomes collectible before rather than after the relevant business transactions are effected.[1] 651

In the case of the commodities subject to turnover taxation, all the business taxes on retailers, under a similar arrangement, are to be advanced by wholesale dealers. The turnover tax and the changes in business tax therefore not only result in speeding up the collection of business tax, but also, through the concentration of tax collection at production and wholesale levels, reduce substantially the cost of tax administration.

The stamp tax and all surtaxes attached to the business tax under the old system merged under the new regulation with the business tax. Under the new system, the rates of business tax fall into three categories. They are, those applicable to industries, those for commercial undertakings, and those applicable to incomes derived from sales of personal services. For the cases where the old rates fell within the range of 1 to 3 per cent, a new rate of 5 per cent is used. For the cases where the old rates ranged from 4 to 6 per cent, an additional 1 per cent is added in the new rate schedule. For the cases where the old rates ranged from 8 to 10 per cent, an additional 2 per cent is added to form the new schedule. For the cases where the old rates ranged from 12 to 15 per cent, a flat rate of 15 per cent is used.

1. Cheng Chu-yüan Chung-kung Ts'ai-ching Cheng-ts'e Hsin Tung-hsiang [The New Tendencies of Chinese Communists' Financial and Economic Policies], Hong Kong, 1953, pp. 73-77.

1:Stanford U. S-4, 5 1956 AF 16 SW China AF16
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651 Besides the institution of the turnover tax and the changes in business tax mentioned above, there are also important modifications in the system of commodity tax. Among these are the following adjustments.

Twenty-two of the commodities formerly subject to commodity tax are under the new regulations subject to the turnover tax.

Fifteen new items are included in the modified system of commodity tax; among these new commodities, the most important item is foodstuffs. In the place of the old transaction tax, under the new system the foodstuffs are subject to a commodity tax. This adjustment contributed substantially to widening the basis of the commodity tax,

Several silk textile products which were formerly subject to commodity tax are now exempt from the tax. In addition, several other minor adjustments in commodity classifications have also been made with a vew to simplifying tax administration.

In the place of market price, commodity taxes under the new system are assessed on the basis of the relevant wholesale prices as quoted by government sales agent. For the commodities for which government quotations are not available, the market price is used as the basis of the tax assessment. Under the old system, the commodity tax was assessed by the means of the following formulas:

$$\frac{\text{Market price}}{1 - \text{Tax rate}} = \text{Price subject to tax}$$

The price subject to tax X Tax rate = Amount of tax.

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The purpose of using these formulas was to avoid 651● the inclusion of the tax in the price upon which the commodity tax rate is to be applied. Under the new system, the commodity tax rate is applicable directly to the price quoted by government enterprise, and the price includes the cost of tax. The commodity tax assessed on this basis is apparently higher than that which was derived from the old formula.

Other important changes in the system of urban taxation effected the end of 1952 are as follows:

1. A part of stamp duties were transferred to be collected as turnover tax, commodity tax, or the tax on butchery.

2. The business taxes and stamp tax payable by butchers merged under the new system with the butchery tax.

3. The transaction tax on foodstuffs are being collected in a new system of commodity tax. The transactions tax on cotton was combined under the new system with the turnover tax on textile products.

4. All the levies on real estate merged into one tax on real estate. It is clear that one of the objectives for tax reform in 1952 was to transfer, wherever it was feasible, all the old taxes on gross business receipts, the commodity taxes, the transaction taxes, stamp duties, and so forth, into the newly instituted system of turnover tax. In the cases where such transfers are not practical, these levies are collected as much as possible under the system of commodity taxes. Only in the case where neither transfer is feasible do the old taxes on business or turnover continue to exist. Whenever conditions

651 permit, the regular tax and surtaxes imposed by local authorities are consolidated into one single tax. In the case of turnover tax, collections are made, as far as it is administratively feasible, at the wholesale level or at the time when the taxable commodity leaves the hands of its producer. The main purpose for effecting successful reforms is to reduce the cost of tax collection and to improve the efficiency of its administration.

There is little change in the system of income tax.

III. AGRICULTURAL TAXATION

In Southwest China, the system of agricultural tax is rather simple in comparison with that used in East China. Since no part of Southwest China has been considered a so-called "old liberated" area, only the agricultural tax designed for "newly liberated" areas with and without land reform.

In the areas where the land reform campaign has already been completed, the features of the tax system may be summarized in the following manner.

1. All the agriculture taxes have been collected in kind.

2. The tax has been assessed on the basis of so-called normal production, regardless of what the actual production is. This system not only greatly simplifies the tax administration, but also

651 stabilizes the government revenue from agricultural tax regardless of actuall production. It relieves the government from the possible adverse effects upon its revenue of year-to-year fluctuations in agricultural production, and leaves that burden to farmers.

3. The progressive tax rates are applicable in cases where the production, reckoned in terms of the land's main crop, exceeds an average of 150 kilograms per capita. The amount per capita production is determined by dividing the total production of the entire household by the number of recognized farm hands in the household. The rates applicable to forty separate income brackets range from 3 per cent on an annual production of from 150 to 190 kilograms per head to 42 per cent on the annual production exceeding 3,410 kilograms per capita.

Besides the variation based on production, the tax rates vary also on the basis of the following factors: (1) the production of a landowner who tills his own land, with or without employing assistance, will be counted toward taxable income at par; (2) the production of a farmer who does not own his land is taxed on the basis of 80 per cent of his actual production. On the other hand, a landowner who does not till his own land but derives an income from leasing it to others has to pay a tax on the basis of 120 per cent of the actual production; and veterans, Party workers, and all those "making special contribution to the country" may be counted as farm hands in reckoning per capita production, even though they do not actually work on farms.

The general features of the system of agricul-

65/ tax applicable to the newly liberated areas without land reform are very similar to those used in the areas with land reform. There are, however, important differences between the rate structures used in the two types of agriculture tax. First, the rates for the area with land reform ranged from 7 to 30 per cent as against 3 to 42 per cent in the case of the other system. Secondly, the proportional rate of 30 per cent becomes effective when the per capita production, reckoned in terms of the main crop produced on the land subject to tax, exceeds 1,950 kilograms a year. In the system for the areas without land reform, the proportional rate of 42 per cent is used for production exceeding 3,410 kilograms. In both cases, an initial exemption of 150 kilograms is used. In other words the income range within which the progressive rates are operative is much shorter in the area with land reform than those without land reform. Thirdly, the agricultural tax rates for the areas with land reform would be higher than the corresponding rates for the areas without land reform if the per capita production were lower than 1,000 kilograms. The reverse is true of the cases where the per capita production exceeds 1,000 kilograms.

It is clear from previous comparisons that, after the completion of the land reform campaign, both the range and the degree of progression of the agricultural tax have been reduced as compared with the rate schedule applicable to the areas without land reform. One possible argument for adopting this policy is that, by reducing the rate of increase of the tax, agricultural production may be encouraged. Another possible explanation is that, after the completion of land reform, the

1:Stanford U. S-4, 5 1956 AF 16 SW China AF16
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inequality in the distribution of farm income tends to disappear. For this reason, it becomes feasible to reduce the rate of increase so that tax administration may be simplified. 651

Whatever the reason may be, the fact is that, as a result of land reform, low-income farmers tend to pay a higher tax and high-income farmers a lower tax.

Similar to the experience in other regions, in the Southwest Region the most common difficulties that have been encountered in implementing the agricultural tax include the following:

1. The lack of reliable production statistics and other relevant production data concerning agricultural production makes it necessary to have recourse at times to such arbitrary measures as "democratic assessment," which means simply an assessment on the basis of the opinion of a specially appointed committee consisting of persons supposed to be familiar with the financial condition of the taxpayer. More often than not, such assessment has little or no bearing upon the ability of the taxpayer to pay the tax.

2. Difficulties arising from the lack of reliable statistical data, of course, will gradually decrease as more information concerning rural economy is assembled and the various "norms" of taxation are established.

3. Another important difficulty encountered in implementing the agricultural tax arises from the system of collection-in-kind. Reports from China seem to indicate that this system of tax collection has caused a great hardship among the taxpayers,

651 for under the system they have to bear not only the tax but also the cost involved in transporting the tax-in-kind to designated points where the commodities are assembled by the government.

4. The agricultural tax is assessed on the basis of the gross income, taking little or not account of the cost involved in production. The system, if strictly enforced, will necessarily result in discouraging such improvements as the use of chemical fertilizers, the use of irrigation system, etc. Chemical fertilizers have been more commonly used in many parts of Central-South China than in other parts of the country. Failure to allow for such costs of production in the tax system will necessarily mean a discouragement to those who are making such improvements in their production.

5. In assessing the agricultural tax both for the regions with land reform and for the areas without land reform, the tax rates progress on the basis of the total income rather than by bracket. This could mean in some cases a payment of more tax by a taxpayer with less income than by one with more income.

IV. GOVERNMENT BONDS

652 This quota is equivalent to less than one-sixth of the subscriptions of East China, or less than one-half of the subscriptions of North China. In 1950, Victory Bonds valued at 100 million fen (one fen or unit was worth approximately US$.75) were issued; 7 per cent were allocated for subscription in Southwest China.

1:Stanford U. S-4, 5 1956 AF16 SW China AF16

465 claims:
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Income (Wages and bonuses)	Yuan
	600,000

Expenditure	Yuan
Rice	90,000
Fuel (coal and wood)	68,000
Edible oil	10,800
Fat	8,000
Salt	510
Supplementary food	80,000
Rent	25,890
Total	283,200

465
511
651 The expenditures in the above budget are all for food and rent, which consumes about 47 per cent of the average worker's earnings. Besides clothing and other miscellaneous expenses, the remaining 53 per cent of his gross income is subject to various deductions in the form of union fees, "voluntary" contributions, and purchases of government bonds. When the Communist government issued the 1950 Victory Bond series, the Southwest Region was allocated 700,000 points; people [27] were urged to buy as many points as they could afford. The purchase of even one point was a big deduction from the workers' small income. After the Chinese Communists entered

27. One Victory Bond point was equal to the total value of six catties of rice, one catty of flour, four ch'ih of cotton cloth, sixteen catties of coal. One unit was quoted at 14,005 yuan (old currency) at the beginning of 1950.

1:Stanford U. S-4, 5 1956 AF 16 SW China AF16

the Korean war, the Chinese workers were urged to make "voluntary" contributions to finance the war. Within three months of 1951, workers in the city of Chungking contributed 13,200,000,000 yuan (old currency).[28]

The Communists have reported an increase in bank savings throughout the whole country. By early May 1954, total savings deposits in cities nationwide were stated to be ten times larger in May 1954 than at the end of 1950. By the end of 1953, savings deposits in the Southwest Region had increased by 7.5 times as compared with 1950. But the increased savings do not necessarily indicate surplus spending power in the hands of the people. Beginning in 1952, the Chinese Communists forced each worker to put 25 to 30 per cent of his income in the People's Bank as compulsory savings to prevent possible inflation and to accumulate capital for national construction.[29] After deducting the "voluntary" contributions and compulsory savings, there is not likely to be money for the workers to spend for other than daily living needs.

VI. LABOR WELFARE

A. Insurance and Health

Under the Labor Insurance Law promulgated by the Communist government in March 1951, 5,380,000 workers throughout China received insurance coverage for death, old age, illness and disability. In the Southwest China Region, there were 163,824 workers, other than railway

28. New China Daily, Oct. 25, 1951, p. 2.
29. Tsu-kuo Chou-k'an [China Weekly], Hong Kong, Jan. 4, 1954, p. 41.

2: Rock K-5 (1934-) 1947 AF16 Southwest China AF16

yao wei-yüan was abolished and a magistrate appointed in his stead. The boundary, where the district is surrounded by the four snow ranges, has not yet been delineated.

"It is believed that the border of the district extends east to Pen-tzu-lan, adjoining the Chung-tien and Ba-thang (Pa-t'ang) districts and the Yang-tze. In the north it extends to Pi-yung-kung 必用工, the Ch'a-li Hsüeh-shan 茶里雪山, and to Yen-ching on the Ssu-ch'uan (now Hsi-k'ang) border. The A-tun-tzu district according to Chinese records comprises about 1,000 square li, and 12,000 inhabitants. There is much snow and the climate is raw and cold. The inhabitants are mostly Tibetans and Mo-so [Na-khi]; a few Chinese, also Moslems and natives of Shensi several ten families, also reside there. There are in all four Hsiang 鄉 (suburban districts), viz., Mou-ting 茂頂 [also written Mu-ting 慕頂], A-tung 阿東, Pen-tzu-lan (Pong-tse-ra), and in the west Chiang-hsi 江西. In ancient days there were two native lieutenants, and two T'u-pa-tsung, who ruled over the peasants.

"Arable land is very scarce in the district, and dry grains only are grown. Therefore taxes which are 10 per cent in Wei-hsi, are only 8 per cent in A-tun-tzu. There are over 10 lamaseries in the district belonging to both the Red and Yellow sects. The Catholics are said to have over 100 believers. Of the inhabitants of A-tun-tzu half are lamas. Outside of the few merchants who reside in the town proper, the people are all farmers and shepherds. Salt is taken by them to Chung-tien and Wei-hsi and exchanged for victuals. The main products imported are tea and sugar, while musk, wool, felts and salt are exported. There are no craftsmen or laborers. Rich mineral deposits are found throughout the district. The town of A-tun-tzu possesses a yamen, a school, and a jail. As the inhabitants are ignorant of the Chinese language, and are unable to govern themselves, a Chinese magistrate was established."

(*Translated from manuscript notes attached to an unpublished A-tun-tzu district map in the Government Library in K'un-ming.*)

3. KHA-WA-KAR-PO RANGE (MOUNTAIN OF WHITE SNOW)

The finest mountain range in north-western Yün-nan is undoubtedly Kha-wa-kar-po (written Kha-wa-dkar-po or Khwa-dkar-po) which forms the Yün-nan—Tibet border and the western wall of the Mekong valley (in Tibetan, La Chhu, written gLa Chhu or bLa Chhu according to *Dict., Thib. Lat. Fr.*, p. 687).[9] It extends from north to south and consists of five main peaks of which the southernmost, Me-tse-mo or Yung-chih Hsüeh-shan, is the highest. Although it has never been actually measured I estimate its height to be 21,000 feet. Its Tibetan name Me-tse-mo (written sMad-rtse-mo) [10] means "Lower peak," but not in the sense of being lower in altitude, but as being the southernmost of the range. It stands out isolated towards the east of the main range and is the most beautiful peak of the entire chain, resembling an ice palace of a fairy tale, or an enormous mausoleum with gigantic steps and buttresses, all crowned by a huge, majestic dome of

[9] ཐ་ཆུ [10] སྨད་རྩེ་མོ

2: Rock K-5 (1934-) 1947 AF16 Southwest China AF16
Sino-Tibetan Border AE3

Hsi-ch'ang, is at the village of Mu-mu-ku 沒沒古 240 li distant. The southern border is formed by the mountain called O-tzu-wu 厄子午山 and adjoins the territory of Ku-po-shu 古柏樹, a distance of 170 li. The western border is formed by the K'ua-na Mountain 夸納山 adjoining the territory of Mu-li, a distance of 120 li. The northern border is formed by the Wa-lieh-ko-chia Mountain 瓦列歌甲山 adjoining the land of Mu-li, a distance of 280 li. The circumference of the entire Kua-pieh territory is 820 li. It controls 1,253 households composed of 2,826 tribespeople.

"The territory pays an annual land-tax of 70 *shih* 碩 of buckwheat, but in lieu of the latter, 35 *tan* 石 [piculs] of rice may be paid. This tax may also be converted into a cash payment in proportion of 1.24 taels of silver for every *tan* of rice, or a total of 43.40 taels silver. This tax is remitted to the Hui-yen ying 會鹽營 (Army corps of Hui-li and Yen-yüan) for soldiers' rations.

"There are two tribes subject to or inhabiting this district, namely the Mo-so and the Hsi-fan. Their temperament and customs are similar to those Fan barbarians under the jurisdiction of Mu-li." (PLATE 256).

The Pacification commissioner of Kua-pieh himself is a Mo-so tribesman. The present incumbent is a very young man who resides at Shih-hua-chai 石花寨. He rules (?) over more Lo-lo than Mo-so and Hsi-fan whom the Lo-lo have mostly supplanted. In January, 1924, his father, the then ruling T'u-ssu, was murdered by the Lo-lo with his entire family, save his eldest son, the present T'u-ssu, who escaped to Mu-li at the time of my first visit to the Mu-li King. As already remarked, the Lo-lo have now everywhere the upper hand, and the other tribes live in fear and trembling of those warlike savages.

In the *Ssu-ch'uan T'ung-chih*, ch. 97, fol. 18b, the boundaries vary somewhat from those given in the Yen-yüan Records. For example, it states that the territory extends east to the Ta-ch'ung Ho to the mouth of Mu-mu 沒沒 ford and Chia-cho Shan 甲擢山, a distance of 240 li, and adjoining the district boundary of Hsi-ch'ang; south to the Pai-chio Ho 白脚河 and O-tzu-wu Shan, a distance of 180 li, adjoining the border of Ku-po-shu. To the west it extends to Kuai-tai-ha-chia 拐帶哈呷 120 li, adjoining Mu-li territory. To the north it extends 280 li also to the Mu-li border.

Handel-Mazzetti, in his *Naturbilder aus Südwest China*, gives a description of Kua-pieh, which he calls Kwapi (pp. 49–59). A color plate (36) shows the village of Kua-pieh on a terrace encircled by high, forested mountains, a picture of peace and contentment; his PLATE 30 is a photograph of a fresco in the T'u-ssu's yamen depicting a battle between Kua-pieh Mo-so and Lo-lo. The Mo-so soldiers are carrying a flag bearing the character *Chi* 己, the family name of the Kua-pieh T'u-ssu.

Genealogy of the Kua-pieh T'u-ssu (Pacification Commissioner). — "The first ancestor of the Kua-pieh T'u-ssu was a Mo-so tribesman by name Yü-chu-p'o 玉珠迫.[2] He submitted in the 49th year of K'ang-hsi (1710),

[2] This name does not occur in the first edition of the *Ssu-ch'uan T'ung-chih* (1733), but the first ruler after Yü-chu-p'o is stated to have submitted in the 49th year of K'ang-hsi.

2: Rock K-5 (1934-) 1947 AF16 Southwest China AF16

adjoining the Chung-so boundary. The entire circumference of the Ma-la territory is 240 li, or from north to south 130 li and from east to west 110 li.[7] 131

"The tribe inhabiting this territory and subject to the Ma-la chief numbers 125 households, composed of 411 people.

"The Ma-la chief pays taxes in kind, namely 40 *tan* [piculs] of buckwheat to the Hui-yen army corps for soldiers' rations. Only one tribe inhabits this territory, namely, the Pa-i or Shan. Their natural disposition is pure-minded and honest. The clothing of the men and women is the same as that of the Chinese. In case they are involved in a lawsuit, they are judged by their local official." 651

According to the *Ssu-ch'uan T'ung-chih*, ed. 1733, ch. 19, fols. 50a-b, the Ma-la territory extends east to the land Pa-hei 巴黑地, south to the borders of San-ma-la 三馬喇, west to the district of Lang-chü, and north to Mi-to 簍多. 131

The second edition of the *Ssu-ch'uan T'ung-chih* (1816), ch. 97, fol. 19a, states that the Ma-la territory extends east to Nan-teng-teng 南鄧鄧 60 li to the borders of the Yün-nan Chang T'u-ssu; south to the mountain called Kai-p'ai Shan 界牌山,[8] 75 li adjoining the border of the Yün-nan Kao 高 T'u-ssu; west 40 li to Lo-k'o-ngai adjoining the border of the territory belonging to the Yün-nan Chang T'u-ssu; north 90 li to Chi-lo-chai 吉落寨 (stockaded village), adjoining the Chung-so T'u-ssu territory.

Genealogy of the Ma-la Fu Chang-kuan-ssu (Senior native deputy official.) — According to the Yen-yüan Records his first ancestor was called A Shih-hsün 阿世勳 and was the first deputy official of Ma-la. He himself belonged to the Pa-i tribe. In the 16th year of Ch'ing Shun-chih 順治 (1659) he submitted to the empire, whereupon the Emperor issued him an official seal and letters patent ordering him to reside in and administer the affairs of the Ma-la territory.[9] 173

"A Shih-chung 阿世忠, younger brother of Hsün 勳 by the same mother, succeeded to the position in the sixth year of K'ang-hsi (1667). [The *Ssu-ch'uan T'ung-chih* of 1816 states that A Shih-chung submitted in the 19th year of K'ang-hsi (1680).]

"A Feng-ch'ien 阿鳳謙, the eldest son of Chung's 忠 legal wife, succeeded to his father's position in the 38th year of K'ang-hsi (1699). [The 1733 edition of the *Ssu-ch'uan T'ung-chih* states the 22nd year or 1683, and further says that his ancestors administered hereditarily the affairs of Ma-la

[7] The Yen-yüan Records state that the Chou-wei 周圍 (circumference) of the Ma-la territory is 240 li; this is not correct for it actually represents the diameter; 130 li from north to south and 110 li from east to west. This is, however, the Chinese way of expressing the circumference of a territory.

[8] There is a Kai-p'ai-p'u-p'u 界牌舖舖 (Guard station of Kai-p'ai) which is 80 li east of Yen-yüan hsien.

[9] The name of A Shih-hsün does not appear in either of the editions of the *Ssu-ch'uan T'ung-chih* nor does the entire genealogy, which has apparently been compiled from the personal family records of the Ma-la T'u-ssu.

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prior to the Ming dynasty, that is, before 1368. He was given a diploma [but neither seal nor letters patent] appointing him Chan-kuan-ssu (Senior native official), not deputy or *Fu* as given in the other Records].

"A Heng 阿衡, the first legal grandchild of Ch'ien, succeeded his grandfather in the 14th year of Ch'ien-lung (1749).

"A Chi-ch'ang 阿際昌, eldest son of Heng's legal wife, succeeded to his father's position in the 53rd year of Ch'ien-lung (1788).

"A Hui-chien 阿繪健, eldest son of Ch'ang's legal wife, succeeded to his father's position in the 19th year of Chia-ch'ing (1814).

"A Wen-chu 阿文籌, eldest son of Chien's legal wife, succeeded to his father's position in the 13th year of Tao-kuang (1833).

"A Wu-i 阿武毅, eldest son of Chu's legal wife, succeeded his father in the seventh year of Hsien-feng (1857).

"A Wu-ching 阿武經, younger brother of I by the same mother, succeeded to his brother's position in the 16th year of Kuang-hsü (1890)."

The T'u-ssu resides at the village of Hsin-ts'un-chai 新村寨. In the 14th year of Tao-kuang (1834) a census was carried out to ascertain the number of inhabitants of the various military stations under Yen-yüan. The Ma-la territory at that time had 125 families consisting of 411 tribespeople.

3. KU-PO-SHU 古柏樹

"Ku-po-shu 古柏樹 (Old cypress tree) is situated 40 li from Yen-yüan hsien. The eastern border extends 120 li to Wu-li-p'ai 五里牌,[10] of the village of Mei-tzu-p'u 梅子堡 adjoining to the territory of Yu-so. The southern border extends 40 li to Ta Ho 大河, adjoining the boundary of Pai-yen-ching 白鹽井 (White salt-well).[11] The western border extends to the Tsa-na Mountain 咱那山 and Shu-p'u-o 樹普窩, adjoining the boundary of the Tso-so territory and Mu-li. The northern border extends 90 li to Li-tzu-kou 李子溝, A-po-ku-erh 阿迫古兒, La-chia-o 拉呷窩 and Hei-che Ho 黑者河, adjoining the territory of the Kua-pieh 瓜別 Pacification Commissioner. The circumference of the entire Ku-po-shu territory is 700 li.

"The Ch'ien-hu of Ku-po-shu rules over 35 villages inhabited by two tribes, the Mo-so and Hsi-fan. He pays taxes in kind consisting of 26 *tan* [piculs] of buckwheat for the rations of the soldiers of the Hui-yen army. In the 19th year of Chia-ch'ing (1814) this district offered to pay an additional tax of four taels silver which was to be paid regularly to the Yen-yüan

[10] Mei-tzu-p'u is 175 li east of Yen-yüan. Wu-li-p'ai has reference to a *p'ai* (boundary) tablet five li distant from Mei-tzu-p'u.

[11] Pai-yen-ching is a little mud-walled town with a population of about 10,000 souls all of whom are working at the two brine wells which lie in a ravine to the south of it. The town itself is at the western end of the Yen-yüan plateau. The salt-wells are about 75 feet deep, one being small and the other large. The brine is raisd by buckets at the end of bamboo rods worked by hand. The salt is mostly exported to the Chien-ch'ang 建昌 valley by mule transport. Yen-ching prides itself on its mosque [a miserable building] of more or less recent construction. Prior to the Moslem rebellion there were three mosques, but these were destroyed by the Chinese. The present day Mohammedan population of Yen-ching consists of 45 families.

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●65/ hsien. He also ruled over two native chiefs: one of whom resided at A-sa 阿撒,[12] and the other at Lu-ma-liu-ts'ao 祿馬六槽." [13]

131 The *Ssu-ch'uan T'ung-chih*, edition of 1816, ch. 97, fol. 19 a-b, states that his territory extends 120 li east to the Ta-ch'ung Ho, adjoining the Chinese territory of the sub-magistracy of Ho-hsi 河西 and Yen-chung 鹽中 of Yen-yüan hsien. The southern border extends also to the Yen-yüan district, a distance of 40 li; west to Tsa-na Shan 90 li to the Mu-li border. The northern border extends to Ku-erh 古耳, and the Hei-che Ho 90 li to the Kua-pieh territory.

173 *Imperial audiences and tribute.* — "In the 49th year of Ch'ien-lung (1784) the first-class chiefs of the aborigines were for the first time commanded to have audience with the Emperor. Lang Shih-chung 郎世忠, accompanied by native leaders, took with him the following articles of tribute: Four small boxes of *ch'ang-pu* 菖蒲 [the rhizomes of *Acorus calamus* var. *vulgaris* L. which grows in swampy places in this region], weighing 12 catties; four *fu-ling* 茯苓 [commonly known as China-root, a species of fungus *Pachyma pinetorum* growing from the roots of pines, and used medicinally by the Chinese] weighing 40 catties; four bear galls weighing six taels; two pairs of snake galls weighing ⅓ of a tael; four wooden bowls weighing eight taels [made from the cancroid growth of maple trees (*Acer*); these growths are rather rare and highly priced for the turning of Tibetan tea-bowls; they are exceedingly light and beautifully mottled; the finest are worth 50 silver dollars apiece]; four bundles of Tibetan incense (*tsang-hsiang* 藏香) weighing one catty, four pockets of musk [from the musk-deer *Moschus moschatus* and *M. chrysogaster*]; four leopard skins weighing 16 catties; four foxskins weighing three catties. All these articles were offered to the Emperor, who rewarded him with a dark-blue colored button to be worn on his hat, a ceremonial robe, and a suit with official badges, a necklace and other objects. In the first moon of the 50th year of Ch'ien-lung (February 9th-March 10th, 1785) he returned to his native village to assume his official duties. Whenever he was ordered to attend the Imperial audience he either went to Peking in person or sent his representative. He was always rewarded by the Emperor with excellent gifts."

Genealogy of the Ku-po-shu T'u Ch'ien-hu (Chiliarch). — "Lang Chün-wei 郎俊位 was the first Chiliarch of Ku-po-shu. He himself belonged to the Mo-so tribe. In the 49th year of K'ang-hsi (1710) he returned to allegiance whereupon the Emperor issued him an official seal and letters patent ordering him to reside at Ku-po-shu.

"Lang San-pao 郎三寶, eldest son of the legal wife of Wei 位, succeeded to his father's position in the second year of Yung-cheng (1724).

[12] This is the A-sa-la T'u-ssu; the name of the present incumbent is Ko Shih-huai 葛世槐, who is subject not to the magistracy of Yen-yüan but to the hsien of Yen-pien 鹽邊縣; his territory is now known as Pi-chü-lu.

[13] The land of the tribes of Lu-ma-liu-ts'ao connects with the territory of Hang-chou-p'u 杭州鋪 which is 160 li north-east of Yen-yüan hsien.

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The collection of the land tax, *ti ting* (地丁), or *chêng liang* (正糧), is often managed by a semi-official dealer in taxes. He advances the money when necessary, at a high interest.

The tax is said to be two fen or candareens per *mou*, but it will often be two mace. In times of great distress it is remitted, *yu mien* (憂免), and also where land is silted up or washed away, *yung mien* (永免).

Besides the land tax there are the military expenses tax, *chün hsü* (軍需), and the willing contributions to government, *chüan shu* (捐輸). There is further a *pourboire*, or squeeze called *chin tieh* (津貼), and also *li chin* (厘金), or assessment on certain articles, etc.; thus the pig tax, which rose to 1,500 cash per pig; oil so much per *ts'ao* (槽) (120 catties); inns, so much per bed, etc.

Of late years a tax office, called *chin chüan* (津捐), has been opened in each county. A tax collector's position was reckoned much more lucrative than an ordinary district magistrate's.

Taxes in refined silver are sent to the capital under armed escort, all expenses being deducted.

Travelling expenses must be given to underlings of high officials passing through the district, and when a deputy official goes through he receives Tls. 50 besides travelling expenses.

Fuel and bedding must also be provided out of taxes to passing troops.

The train bands must present themselves, in uniform and with weapons, to answer the roll call.

Some headmen of "parishes" etc., must also appear. These are the *tsung pao* (總保), or head of a district; *t'uan shou* (團首), or head of 1,000 families; *chia chang* (甲長), head of 100 families; *p'ai shou* (牌首), head of 10 families; and *hua hu* (花戶), or head of each family. Only the first three need appear at review.

Each family is registered and is given a door-tablet with name and number in the family written on it; this costs about

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40 cash. The *tsung pao* is nominated by the people and appointed by the magistrate. The *t'uan shou* is elected by the "parish" and the *p'ai shou* by those concerned. Each reports to his superior, the *tsung pao* often having free access to the yamen. The *tsung pao* settles many local troubles and in lawsuits his word goes a long way; but bribery and injustice are very common.

The title deeds of newly purchased property have to be stamped, *yin ch'i* (印契), at the yamen; and the rate has risen to 2 per cent with 1,000 cash for the *ch'i wei* (契尾), a document sent to be kept in the provincial treasurer's yamen. Formerly an official about to leave office used to reduce the stamp fees, because all the money from this source went into his private purse; but latterly the tax-office has controlled this business.

The office of *lao tien* (老典) is sold for a term of five years. The price varies, of, course, in different places but in some places 3,000 taels are paid down with an annual payment of 1,000 taels: this belongs to the magistrate. In many places the gentry pay the incumbent 300 taels per annum, whether they have lawsuits or not, but if a guarantee against lawsuits is required much more is paid. These bureaus are where litigation is hatched and fostered, mismanaged and traded on, and the purchase money is very quickly recovered.

Hereditary pensions are paid to families of men who have done important service to the state, *fa yin hsi* (發蔭襲).

The hereditary barons among the tribesmen, *t'u ssŭ* (土司), receive taxes from their people and pay tribute to the court.

There are four spring officials, *ch'un kuan* (春官), one for each city gate, whose duties are to superintend the making of the spring ox and driver, *mang shên* (芒神). On the coming in of spring, these men don Ming dynasty clothes and a high hat called *t'ieh sha mao* (鐵紗帽). They enter the magistrate's office, give congratulations, and receive food and wine, with silver medals for the year, then they leave the city,

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000 On the 28th March we reached Chung-tien after a march of nearly 20 miles over grass plains and low spurs, the first bit of level going we had had since leaving the S Chien-ch'ang valley nearly a month before.

ST 302 The town contains some 300 houses, and we found a sort of inn to put up in, kept by a Chinaman whose Tibetan 191 wife plaited her red hair in seven pigtails. The inhabitants of the town are most of them of mixed Chinese and Tibetan descent. They dress like Chinamen, but usually speak S Tibetan among themselves, though they can talk Chinese.

ST 631 Chung-tien, or Che-tang to give the place its correct Tibetan name, is a town of the *t'ing* class, and there is a 622 Chinese official of that rank here. But he has no real authority. The rulers of the country are to be found in the S large monastery which is situated a little further along the ST plain on the road to A-tun-tzŭ. Here there are said to be [651] 3,300 lamas. The taxation of the laymen to support the ecclesiastics is very heavy, and many families are leaving the district.

Everyone in Chung-tien, including the Chinese *chih-t'ing* is completely under the thumb of the lamas. I tried to hire a mule or two to ease my animals, but found it impossible to do so. The mule owners were quite willing, but they said that on their return they would certainly be beaten by the lamas for venturing to assist a foreigner. The Chung-tien lamas seem to be a truculent lot. Their demeanour when I passed the monastery the next day was S certainly not friendly.

ST 177 It is curious how little impression the civilisation and customs of the Chinese have produced on the Tibetans. Elsewhere, one of the principal characteristics of Chinese expansion is its power of absorbing other races. The greater part of the inhabitants of southern and western China are doubtless of aboriginal stock with a certain admixture of the real Chinese race. Yet the Chinaman of Yün-nan or Kuang-tung is thoroughly Chinese in his customs and ways of thought.

The process of absorption can still be seen actually going on in Yün-nan. I have found Lo-lo villages in all stages. It begins as a rule with the men learning to read Chinese, and adopting Chinese dress. Gradually they will

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872 each pupil bellowed. "If he doesn't bellow, he isn't learning, but chattering or making mischief."

The mandarin pays for the upkeep of this school. The children live and eat in the castle and bring only their sleeping blankets and in winter a coal brazier from home. "The lessons are conducted according to the new Western style," the teacher told me. Every hour there was a short pause and every day there was physical exercise. If the teacher wanted to begin or interrupt the lessons he drummed on a hollow tree trunk, just like a South Sea Islander.

241 166 The mandarin was also obliged to distribute seeds to the Chinese immigrants; and because the last few years there had been poor harvests he had to order tsamba from Dawo and Romi Tschanggu and rice from the city of Ya tschou. (1) Otherwise all the colonists would have

1. The price for barley in Tschanggu was exactly 15 times as much as in Hsining fu.

long since gone home to China. The colonization here, unlike that of Mongolia, is sponsored by the government. A few years ago 100 families were established here; they had land as well as free seeds, schools for their children and complete freedom from taxes for the first years. And yet conditions were so unfavorable that more than half of them had already gone back and there were only 40 Chinese families left.

• 657 From the Tibetan families the mandarin gets free escort (ula) and compulsory military service, besides 2.5 Candareen (tael cents) a year. Thus, his income is slight and during each meal Wu da lao ye complained when it came to the rice and rice wine that in this post he had to supply a great deal (presumably 2,000 taels annually).

353 The hall in which my first reception had taken place was also the dining hall where the mandarin, his first secretary, the teacher and /Plates XLV, XLVI, XLVII and XLVIII appear between pp. 192 and 193 in the original text./ /193/ I were served. (1) Already in

[262] 1. Wu tschin hsü Da lao ye had even had Chinese pigs brought from the lowlands for slaughtering because he thought the Tibetan species which is raised throughout Hor in large quantities, was too fleshy and tasted bad. The Hor Tibetans eat their pork sometimes raw and sometimes cooked.

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gung who has under him five colonies (tun, pronounced tenn in Kin tschuan), namely: Mu gung tun, Fu pien tun, Hsü tsching tun, Tsung hoa tun, Romi Tschanggu tun. Besides that, a hsie (regiment) was established in 1783 with its seat in the Ying pan gai, which belongs to the chief command of Sung pan ting.

Senggersung, Mu gung, along with Hsin Mo po, Fu pien, Lien ho kou and others, beside which dwell the natives on the mountain slopes and in the lateral valleys, also under the rule of hereditary aristocratic families (darro). In part the darro live in the ancient castles. However, most of the fortifications in Tsanla and Rardan have become ruins. The darro must annually travel to the ting at Mu gung and the more important ones among them support the tschungro as their official representatives in the yamen of the ting. Like the tu se (rgyalbo) they set great store by their class honor and marry only among themselves. The office of darro is kept within the family for many hundreds of years. If a darro family dies out, the second son of another darro is adopted. Besides this aristocracy of chieftains, of darro and officers (tschungro), there are free warrior-farmers (tschralba or kralba; kral in Tibetan meaning service), taxable farmers (tokdamba), and finally descendants of unfree people or slaves (gonag in Tibetan and Kin tschuanese, i. e., /228/ "people with black heads"), as well as bondsmen or slaves (kurme). (1)

TC 565

1. Kur literally "burden" (Tibetan); me = Mensch /Tibetan/; every Tibetan finds the carrying of burdens highly unpleasant. Ch. Das' Dict. gives kolbo for "slave."

Besides these there are priests (rgofsches in Kin tschuanese) and finally artisans, both of whom are made up of second sons of tschralba or tokdamba farmers and partly also of immigrants from other tribes.

Since the conquest half the land in Great and Little Kin tschuan is under Chinese administration and half under Tibetan. For the Chinese part of the actual land, the owners must pay land tax to the tai ye or to the Mu gung ting, regardless of whether they are Chinese or Tibetan, just as would be the case in any other place in China. The owners have no other burdens or compulsory service. This relationship between farmers and the state therefore already gives a very modern and democratic impression.

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